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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

IN REPLY REFER TO:

CN9304034

Mr. Richard J. D'Antonio
President
The Bentleyville Telephone Company
508 Main Street
Bentleyville, PA 15314

93-253
RECEIVED

OCT 19 1993

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Dear Mr. D'Antonio:

This responds to your letter of September 2, 1993, addressing the 2 GHz Personal Communications Services (PCS) proceeding, GEN Docket No. 90-314. Senator Arlen Specter has forwarded your correspondence to the Commission for its consideration of your concerns regarding a PCS licensing structure that permits licensing of small and rural telephone systems under an auction regime.

On September 23, 1993, the Commission adopted final rules to govern PCS as well as a Notice of Proposed Rule Making seeking comment on auction rules that would be used to select PCS licensees. The Commission allocated a total of 120 megahertz of spectrum for licensed PCS and permitted telephone companies without cellular interests to aggregate up to 40 megahertz of this spectrum (the maximum authorized any licensee). Telephone companies with cellular interests will be restricted to 10 megahertz in a PCS service area in which they own twenty or more percent of a cellular company, if the cellular company serves 10 or more percent of the population of the PCS service area. Local exchange carriers are permitted to apply for PCS licenses on the same basis as other applicants, except insofar as they hold interests in cellular operations.

The Commission adopted 492 local service areas based on Basic Trading Areas (BTAs) and 51 regional service areas based on Major Trading Areas (MTAs). The 120 megahertz is divided into two 30 megahertz MTA blocks, one 20 megahertz BTA block, and four 10 megahertz BTA blocks. The Commission's licensing scheme will result in from three to seven licensees in each area, depending on aggregation in the auction process. In a companion Notice of Proposed Rule Making, PP Docket No. [REDACTED] the Commission proposed licensing preferences in one 20 megahertz and one 10 megahertz frequency block for rural telephone companies, small businesses, and businesses owned by minorities and women.

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Mr. Richard J. D'Antonio

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The Commission's decisions addressing PCS are designed to foster competition among PCS providers and between PCS providers and cellular radio operators and to ensure expeditious provision of PCS in both urban and rural areas. I am attaching the press releases for the dockets addressed above that more fully describe the Commission's actions.

Sincerely,

A handwritten signature in cursive script, reading "Thomas P. Stanley".

Thomas P. Stanley
Chief Engineer

Enclosures

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United States Senate

COMMITTEE ON THE JUDICIARY
WASHINGTON, DC 20510-6275

DET
90-314
4034

September 27, 1993

Ms. Lauren J. Belzin
Acting Director, Office of Legislative Affairs
Federal Communications Commission
Room 808
1919 M Street, N.W.
Washington, DC 20554

Dear Ms. Belzin:

I have been contacted by a constituent, Mr. Richard D'Antonio of Bentleyville, Pennsylvania, who has written regarding rural telephone companies' participation in Personal Communication Services.

I have informed Mr. D'Antonio that his inquiry has been referred to your office. Please accord this matter all due consideration. Enclosed is a copy of his letter for your review. I would appreciate your responding to Mr. D'Antonio directly.

Thank you for your assistance in this matter.

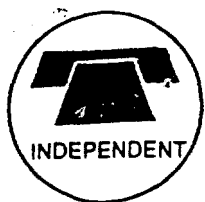
Sincerely,



Arlen Specter

AS/mrp

Enclosure



THE BENTLEYVILLE TELEPHONE COMPANY

508 MAIN STREET, BENTLEYVILLE, PA 15314

Telephone (412) 239-2501

FAX (412) 239-1000

Richard J. D'Antonio
President

1993 SEP -8 AM 12:00

September 2, 1993

Honorable Senator Arlan Specter
Room 303 Senate Hart Building
2nd and C Streets, N.E.
Washington, DC 20510-3803

Dear Senator Specter:

I am writing to ask you to contact FCC Chairman James H. Quello and Commissioners Barrett and Duggan strongly encouraging them to fully achieve the objectives of the recently passed budget reconciliation law by ensuring that small and rural telephone systems are able to provide new services, such as Personal Communications Services (PCS), under an auction regime. In the Budget Reconciliation Bill, Congress instructed the FCC to ensure a)-prompt delivery of service to rural areas and b)-that rural telephone companies be given the opportunity to participate in (PCS).

We are very supportive of Congress' directive. We believe that the timely availability of affordable PCS to rural America will depend on allowing small, rural telephone companies an opportunity to offer these services. Quite often only the small, rural telcos are interested and able to provide service in the less dense, and therefore less profitable, rural areas. Without positive action from the FCC the licensing process may represent another step toward an America of "telecommunications haves" versus the "telecommunications have nots". The Pennsylvania State Congress has recognized this possibility in the recent enactment of House Bill #84 and has allowed the small rural telcos (under 50,000 access lines) the opportunity to file for a streamlined form of rate regulation designed to decrease regulatory costs and delays.

We suggest that the FCC take action in implementing Congress' direction by specifically allowing rural telephone companies serving areas with fewer than ten thousand customer to apply for licenses for rural areas. These rural areas would be "carved out" from the larger standard licensing areas. Additionally, rural telephone companies should be allowed the option to obtain sub-licenses for their own areas from primary licenses. Please do not allow small rural telephone companies to be "shut out" of their own serving areas as is being allowed to occur presently with cable TV.

These provision would not have harmful effects on other PCS providers or on the Treasury. They would not discourage competition in the provision of these services since licenses will be awarded to multiple providers and not just to the rural telephone companies. Also, they would not diminish the flow of revenues to the Treasury since the price paid by the rural companies would be consistent with that paid by the other licensees for the same area.

Small and rural telephone systems are best suited to assure new services and technologies reach rural subscribers. They have a proven track record of delivering state-of-the-art technologies to their subscribers in rural America. Please urge the FCC to ensure that we can continue to do so.

We would appreciate your consideration and support of this licensing policy, which can greatly benefit customers in Pennsylvania and indeed, rural America.

Sincerely,

A handwritten signature in cursive script, reading "Richard J. D'Antonio". The signature is written in dark ink and is positioned above the printed name and title.

Richard J. D'Antonio
President